

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☒

APPLICATION FOR PERMIT TO DRILL		1. WELL NAME and NUMBER Crane 16-4
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>		3. FIELD OR WILDCAT WILDCAT
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO		5. UNIT or COMMUNITIZATION AGREEMENT NAME
6. NAME OF OPERATOR QUANECO, LLC		7. OPERATOR PHONE 818-225-5000
8. ADDRESS OF OPERATOR 22801 Venture Blvd. Ste 200, Wooldand Hills, CA, 91364		9. OPERATOR E-MAIL fatchanceog@aol.com
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) FEE	11. MINERAL OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>	
12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>		13. NAME OF SURFACE OWNER (if box 12 = 'fee') Farmland Reserve, Inc.
14. SURFACE OWNER PHONE (if box 12 = 'fee') 801-715-9114		15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 139 E. South Temple, Suite 600, Salt Lake City, UT 84111
16. SURFACE OWNER E-MAIL (if box 12 = 'fee')		17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')
18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>		19. SLANT VERTICAL <input type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>

20. LOCATION OF WELL	FOOTAGES	QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN
LOCATION AT SURFACE	1980 FNL 500 FWL	S-NW	4	6.0 N	8.0 E	S
Top of Uppermost Producing Zone	1980 FNL 500 FWL	S-NW	4	6.0 N	8.0 E	S
At Total Depth	1980 FNL 500 FWL	S-NW	4	6.0 N	8.0 E	S


21. COUNTY RICH	22. DISTANCE TO NEAREST LEASE LINE (Feet) 500	23. NUMBER OF ACRES IN DRILLING UNIT 40
25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 0	26. PROPOSED DEPTH MD: 1270 TVD: 1270	
27. ELEVATION - GROUND LEVEL 6863	28. BOND NUMBER 04-002	29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Deseret Ranch- Chapman Ditch & Evanston City

Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
Surf	14.75	10.75	0 - 250	40.5	J-55 ST&C	9.5	Unknown	185	1.27	15.2
I1	9.875	7	0 - 1120	20.0	J-55 ST&C	9.5	Varocem	140	2.96	11.5
							Varocem	100	1.81	13.5

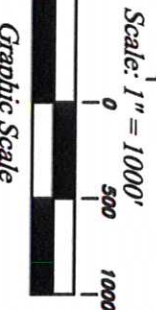
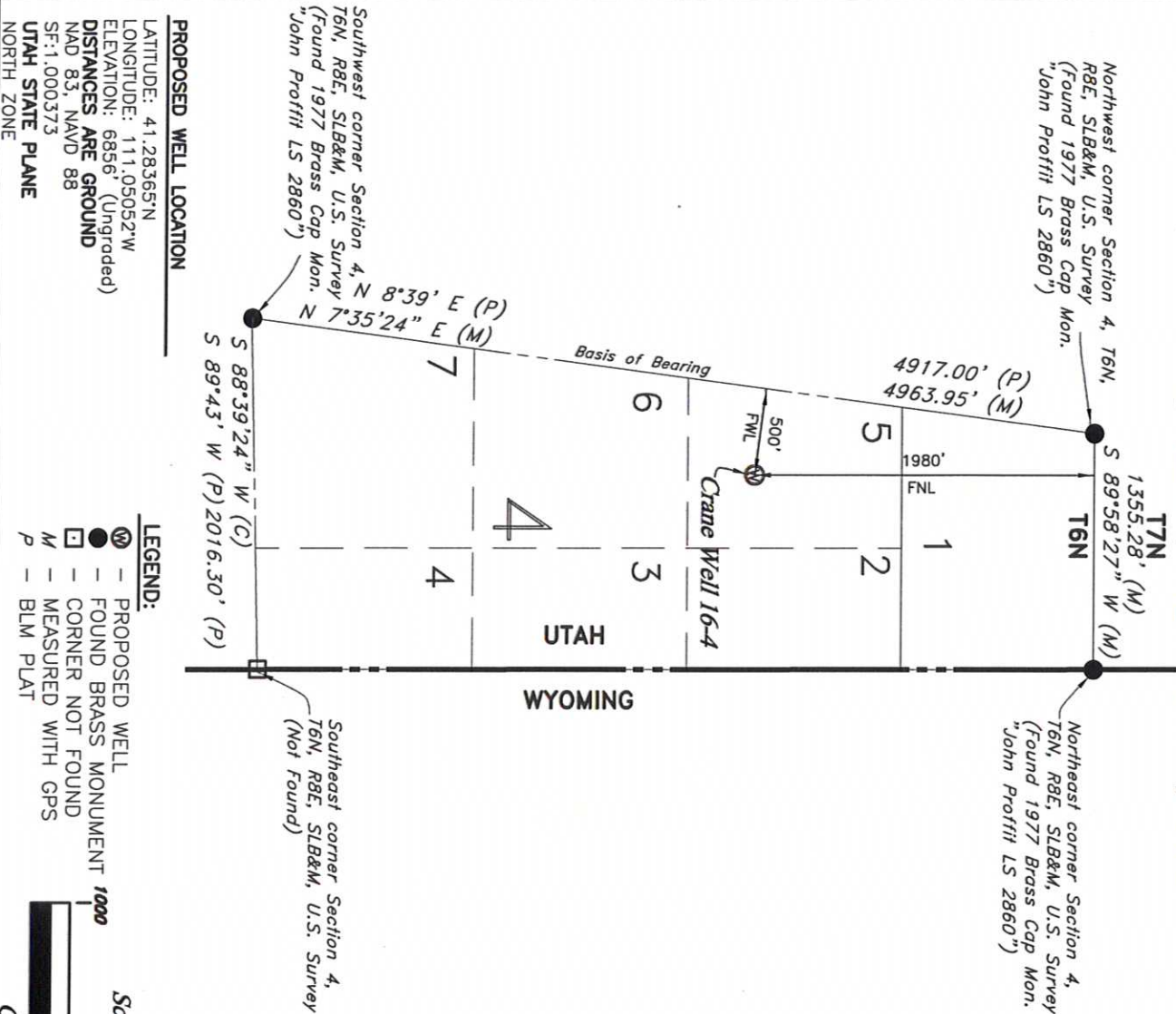
ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)	<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER
<input checked="" type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)	<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP

NAME Terri Hartle	TITLE Admin/Regulatory (Western Land Services)	PHONE 435 896-5501
SIGNATURE	DATE 10/01/2010	EMAIL Terri.Hartle@Westernls.com
API NUMBER ASSIGNED 43033500010000	APPROVAL  Permit Manager	

WELL PLAT FOR THE "CRANE WELL 16-4" SECTION 4, T6N-R8E, SLB&M, RICH COUNTY, UTAH



LEGEND:

- PROPOSED WELL
- FOUND BRASS MONUMENT
- CORNER NOT FOUND
- MEASURED WITH GPS
- BLM PLAT

QUANECO, LLC
PROJECT: CRANE WELL 16-4

CALDWELL RICHARDS SORENSSEN
ANSWERS TO INFRASTRUCTURE

SALT LAKE CITY OFFICE:
2000 EAST 2100 SOUTH
SALT LAKE CITY, UTAH 84143
TEL: 313.5585
FAX: 313.581.4212
WWW.CALDWELLRICHARDS.COM

File: CRANE SECTION 4
Date: 09/28/10
Sheet: 1 of 1

CERTIFICATION

I, Jerron R. Atkin II, do hereby certify that I am a Registered Land Surveyor, and that I hold Certificate No. 5992544, as prescribed by the Laws of the State of Utah, and I have made a survey based on information collected on the ground and of record. I have relied upon a BLM plat and notes of Township 6 North, Range 8 East, conducted by T. C. Bailey and approved December 10, 1875 as file No. 255. I further certify that the above plat correctly shows the true dimensions of the property surveyed.



BASIS OF BEARING

Basis of bearing is N 7°35'24" E between the Northwest corner and Southwest corner of Section 4, T6N, R8E, S.L.B.&M., U.S. Survey.

BASIS OF ELEVATION

Elevation is based on a GPS observation of a rebar control point set by Caldwell Richards Sorensen for this survey which is located in Lot 1 of Section 4, T6N, R8E, S.L.B.&M., U.S. Survey. Elevation = 6958 feet.

NARRATIVE

The purpose of this survey is to plat the proposed location of the "CRANE WELL 16-4" located in Lot 5, of Section 4, T6N, R8E, S.L.B.&M., U.S. Survey. A well plat signed by Robert Kay on August 31, 2000 titled "CRANE 4-4", file: QUANECO, LLC, was relied upon in conducting this survey. An original GLO plat of Township 6 North, Range 8 East, S.L.B.&M. U.S. Survey and conducted by T.C. Bailey was relied upon in conducting this survey.